

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

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Avista Corporation,)
The Bonneville Power Administration,)
Idaho Power Company,)
The Montana Power Company)
Nevada Power Company)
PacifiCorp,)
Portland General Electric Company,)
Puget Sound Energy, Inc.,)
Sierra Pacific Power Company)
_____)

Docket No. RT01-35-000

**MOTION FOR LEAVE TO INTERVENE AND
PROTEST OF THE SOUTHERN NEVADA WATER AUTHORITY**

On October 23, 2000, Avista Corporation, the Bonneville Power Administration, Idaho Power Company, the Montana Power Company, Nevada Power Company, PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc., and Sierra Pacific Power Company (collectively, "the filing utilities") filed a "Supplemental Compliance Filing and Request for Declaratory Order Pursuant to Order 2000." Among other things, this filing describes the filing utilities' proposal to form a regional transmission organization (referred to as "RTO West") that complies with the requirements of the Commission's Order 2000. The filing also requests an expedited declaratory order from the Commission that certain aspects of the proposal, including the proposed governance documents and the scope and configuration of RTO West, are in accordance with applicable requirements under Order 2000.

Notice of the filing was given on October 24, 2000, and motions to intervene and protests are due on November 20, 2000. Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission" or "FERC"), 18. C.F.R.

§§ 385.211 and 385.214, the Southern Nevada Water Authority ("SNWA") hereby moves to intervene as a party in the above-captioned proceeding, and protests certain aspects of this filing.

The names and addresses of the person to whom communications concerning this proceeding should be addressed are:

Robert W. Marshall, Esq.
Marshall Hill Cassas & de Lipkau
333 Holcomb Avenue, #300
Reno, NV 89502

Charles K. Hauser, Esq.
Southern Nevada Water Authority
1001 S. Valley View Blvd.
Las Vegas, NV 89153

I. Motion For Leave To Intervene.

In support of this Motion, the SNWA states as follows:

The SNWA is a public agency created under Nevada law by inter-local agreement pursuant to Chapter 277 of Nevada Revised Statutes. The member public entities of the SNWA are the Las Vegas Valley Water District, the City of Las Vegas, Clark County, the City of Henderson, the City of North Las Vegas, Boulder City, Big Bend Water District, and the Clark County Sanitation District. The SNWA is the wholesale water provider to its member entities who, in turn, provide retail water service to virtually all customers in the Las Vegas, Boulder City and Laughlin, Nevada areas.

The SNWA has large water pumping electric loads and is believed to be the largest user of electric power in Southern Nevada. SNWA currently purchases power from the Colorado River Commission ("CRC") and Nevada Power Company ("Nevada Power"). After retail

competition and open access become available to Nevada electric customers, the SNWA contemplates purchasing a substantial portion of its power on the open market.

The SNWA is concerned that Nevada Power will be within the area of an RTO where most of the power ultimately delivered to the SNWA is produced so that there will not be "pancaking" of transmission rates which would occur if power were to be moved from one RTO to another to its ultimate point of destination.

The SNWA alone can address the concerns of the SNWA since it will purchase power for itself in a deregulated environment as well as continue to purchase power from the CRC and Nevada Power.

II. Protest.

The SNWA protests the filing utilities' request for an expedited declaratory order because the SNWA believes that RTO West's scope and configuration are inappropriate. More specifically, the SNWA protests the inclusion of Nevada Power in RTO West. Nevada Power is not the only transmission service provider to the Las Vegas, Nevada area. The CRC also provides substantial power to the area, with the SNWA as its largest customer. It makes no sense for one transmission provider to be in an RTO which does not include the other major transmission provider in the same area which may be part of a different RTO. An RTO with the appropriate scope and configuration should offer transmission service at non-pancaked rates, improve operations and planning, coordinate transmission expansion and include all transmission providers. The boundaries of an RTO should encompass one contiguous geographic area, encompass a highly interconnected portion of the grid, recognize trading patterns, and take existing regional boundaries into account. The SNWA believes that Nevada Power's participation in RTO West ignores all of these factors.

With the exception of a single 345-kV tie with PacifiCorp in southwestern Utah, Nevada Power has no direct electrical connections with the remaining RTO West participants, all of whom are members of the Northwest Power Pool. All of Nevada Power's other transmission interconnections are with entities in the Desert Southwest and California. In addition, the CRC's power sources are within the Desert Southwest. The filing utilities' proposal to include Nevada Power in RTO West in effect ignores the electrical realities of Nevada Power's existing interconnections and the power market in Southern Nevada. The filing utilities' proposal further ignores the commercial reality that Nevada Power purchases a large percentage of its resources from the Desert Southwest region, and has entered into reserve sharing and other commercial arrangements with Desert Southwest entities. In addition, the filing fails to include all transmission providers in the Southern Nevada area in one RTO. All of these factors indicate that it is inappropriate for Nevada Power to participate in RTO West.

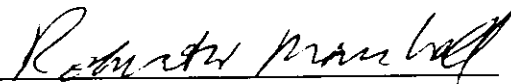
The result of incorrectly drawing the RTO boundaries is potential financial harm to the SNWA and operating chaos in Southern Nevada. Once the Desert Southwest Independent System Operator ("Desert STAR") is formed, much of the power the CRC buys and Nevada Power obtains will continue to originate in the Desert Southwest, within Desert STAR. If Nevada Power is not a member of Desert STAR, financial penalties will be imposed on SNWA for using Nevada Power for control area services, as well as on any other customer of Nevada Power receiving energy from sources in the Desert Southwest and using transmission services arranged through Desert STAR. The financial penalty results because Desert STAR will assess fees for energy transmitted to its interconnection with Nevada Power and RTO West, and a second fee will be assessed for the delivery of that energy from the interconnection to the load within RTO West. If Nevada Power

were a member of Desert STAR, only a single fee would apply for delivery of energy from source to load.

The SNWA believes it is inappropriate for FERC to rule on the scope and configuration of RTO West without having a thorough understanding of how all of the proposed RTOs in the Western region will interact with one another. Instead, the SNWA agrees with the suggestion of the CRC that it would be appropriate for FERC to host a technical conference to address the issues raised by CRC and SNWA. The SNWA believes an open exchange of information between the filing utilities, particularly Nevada Power, FERC, and the southern Nevada stakeholders is needed to review the filing utilities' proposal to be sure that FERC's RTO goals are satisfied and that southern Nevada consumers will not be adversely impacted.

Respectfully submitted this 15th day of November, 2000.

SOUTHERN NEVADA WATER AUTHORITY

By: 

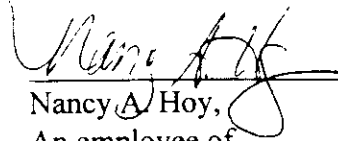
Robert W. Marshall, SBN 1249
333 Holcomb Avenue, #300
Reno, Nevada 89502
(775) 323-1601

Charles K. Hauser, Esq.
1001 S. Valley View Blvd.
Las Vegas, Nevada 89153
(702) 258-7167

CERTIFICATE OF MAILING

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served a copy of the foregoing document on persons designated on the official service list compiled by the Secretary in this proceeding.

Dated this 15th day of November, 2000.



Nancy A. Hoy,
An employee of
Marshall Hill Cassas & de Lipkau